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20 February 1981

LATIN AMERICA REPORT

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DIFFICULTIES BLOCKING YACYRETA PROJECT REMAIN UNRESOLVED

Buenos Aires CONVICCION in Spanish 4 Jan 81 p 10

[Article by Martin Olivera: "Several Causes Affect Delay in Awarding Contract for Yacyreta Construction"]

[Text] Engineer Jorge Pegoraro, executive director of the Binational Yacyreta Authority, is returning tomorrow from Punta del Este, stepping up by 1 week the date of the end of his vacation -- originally scheduled for 12 January -- because he has an obsession: to be able to conclude, as soon as possible, bidding on civil engineering construction and turbines for the largest dam in the country.

In addition, Engineer Pegoraro knows that, in order not to extend bid acceptance proceedings at least to the end of January -- Thursday 29 January was being mentioned in the entity as a possible date -- a total decision must be reached during this week, because, starting Saturday and until around 25 January, the financial director of the entity, Accountant Hugo Lamonica, takes his vacation.

According to what was stated by Yacyreta inside observers -- Lamonica is precisely the one who would object most to a hasty, mass acceptance of all bids -- against the opinion of Pegoraro himself -- because he believes that this may lead to errors that would later adversely affect the construction schedule still more.

It must not be forgotten that the great delay in this schedule -- approximately 1 year -- did not occur as a result of an examination of bids, but rather because of inadequate handling of bilateral relations with Paraguay, no longer at the Yacyreta level, but rather at the Ministry of Foreign Affairs level.

Paraguay made skillful use to its benefit of the intrinsic weakness of Argentine policy on the La Plata Basin and our country's haste to strengthen its precarious energy system.

It accelerated its fluctuating political practice and obtained bridges, roads and a free port as a gift for its final decision to collaborate with Argentina. Of course, by that time, a year had already been lost and the whole weight of the job had fallen on Argentina. Paraguay only puts water into Yacyreta.

And all that occurred because of the layout. Still more clearly, as a result of the not very appropriate statements made by one of our country's officials who accepted, in newspaper statements, the possibility of modifying the layout originally agreed upon.

Therefore, it does not seem to be the most appropriate thing to do to ask now for haste in awarding the two most important contracts for the job, when, strictly speaking, this procedure is delayed only 3 months. What is necessary now is not to award fast but rather to award well. Otherwise, in the future, there will be more to regret and perhaps more time will be lost.

Influence Problems

What is happening now to bids on an internal level in Yacyreta is only one more episode of the many that have occurred in recent years as a result of the existence of two definite lines in the entity, very rarely coinciding with each other. In short, these lines are said to be represented, one by Engineer Pegoraro and the other by Accountant Lamonica.

What is happening is that, owing to the critical nature of the topic of bidding, these lines have reached the extreme that, in the opinion of sources very close to the top level of the entity, Accountant Lamonica is said to be inclined not to sign the bid acceptance unless there are substantial modifications.

This will be the topic that will probably capture attention this week on the 21st and 22nd floors of the Madero Tower. If it is settled, the first awarding could be made known in the next few days.

Nevertheless, one of the problems in this different conception revolves around how awards are to be made. In Lamonica's opinion, it would be necessary to announce everything separately. First, the civil engineering construction -- almost certainly for the French consortium headed by Dumez -- then the turbogenerators, leaving aside some extra contracts, like a commitment to build an airfield for Paraguay.

The financial director bases his belief on the assumption that delivery of a package of joint measures may make public opinion perceptive, making it see things that do not exist, or making it suppose that there are silent agreements.

In the face of this attitude, Pegoraro adheres to speed above all, with the intention of leaving the job as much underway as possible for the next government administration. Pegoraro's concern for having things settled during his term in office -- this is logical and understandable -- which, as it seems, will probably not be extended beyond 19 March, cannot fail to be taken into account.

But what happens if Lamonica refuses to sign?

Advantages of the Future

According to the facts that must be taken into account at this time, the position of the financial director is the stronger of the two and, in the long run -- or not so long run -- it should prevail.

In the first place, there is a direct precedent: the reduction of the binational authority's budget by almost 50 percent. When its preparation came up, the only Argentine official who sought reduction was Accountant Lamonica, because he regarded it as excessively large. All the other Argentine members of the Executive Committee were opposed and the financial director was on the point of resigning. Nevertheless,

at voting time, the Paraguayan delegation supported him and the budget was reduced, but the split has already become very evident.

Moreover, Lamonica is a man -- a name -- who is growing as 29 March approaches, and many assign him important posts in the next government, especially on the basis of the conference he had with LtGen Roberto Eduardo Viola, Army, Retired, at the urging of the president elect.

Although that conference did not culminate in what may be called a "job offer," it served to consolidate the impression that Viola will keep Lamonica in mind when the time comes to form the second echelon of the cabinet, secretariats of state or under secretariats, as the case may be.

According to observers, Lamonica is said to be proposed for the critical area of Finance, in view of the fact that he was nominated for the Junior Chamber -- to which he was elected among the 10 outstanding young men -- by the Finance Institute, a sector that is now said to be piloting his appointment.

Others believe that the post indicated for the well-sponsored financial director of Yacyreta will probably be the Secretariat of Energy, but it is likely that this area will remain in the hands of some Army man, because it will be under the Ministry of Public Works and Services, whose head will be Gen Diego Urricarriet.

At any rate, meanwhile, these rumors strengthen Lamonica's position. Much more so in view of the fact that it is not yet known what may happen at Yacyreta.

Yacyreta After March

Among Lamonica's possible posts, executive directorship of Yacyreta must not be ruled out. Everything indicates that it will be left vacant when Viola takes office.

Those who adhere to this assumption maintain that the 4 years of experience as financial director in Yacyreta, his achievements in the financial part and his good impression outside the building on Madero Avenue, shape him up as the ideal candidate for that post.

Nevertheless, some persons close to the economists who will supposedly collaborate with Viola in his administration maintain that they want Lamonica in a first-line post, in view of the fact that the task awaiting them does not seem to be simple and, therefore, requires maximum collaboration.

What does probably seem to be a fact is Pegoraro's departure. After several years at the head of Yacyreta -- years of difficult negotiations -- he is said to be considering also the possibility of retirement.

Persons with the best memory even recall that Pegoraro's appointment resulted from a request by Walter Klein to Martinez de la Hoz and by him to Videla. In turn, the connection with Klein is said to have been Engineer Gotelli, a former acquaintance of Pegoraro and Klein's first official chief.

It is deduced from all this that it is very difficult that now, with his stock on the rise, someone will ask Lamonica to resign. Therefore, his stand is very likely to prevail over the rest of the committee.

The War of the Five Turbines

The failure to select the winning consortia in the Yacyreta bidding is also not due exclusively to the form of acceptance. In the case of the turbines, everything indicates that the majority package will be for Allis Chalmers, but, nevertheless, there is a discussion on whether it is appropriate to hand it the whole set of 20 turbines, or to assign it 10 or 15 and subdivide the degree of dependency on one single consortium.

Basically, the problem comes up in the case of the METANAC consortium -- totally Argentine -- which is trying to be awarded construction of five of the turbines. This would enable it to compete, with a background, on an international scale. METANAC, whose leading company is IMPSA, is participating actively -- with its plant in Mendoza -- in the Argentine Nuclear Plan and construction of the famous TAM [Argentine Medium Tank] tanks, at the same time as it provided turbines for the Arroyito hydroelectric powerplant in Neuguen.

In spite of that, it was not given preference and had to participate in the bidding with the British consortium headed by Boving, submitting higher prices than Allis Chalmers. Nevertheless, with the tax modifications resulting from a generalization of the VAT [Value-Added Tax], its bid came down substantially, becoming competitive.

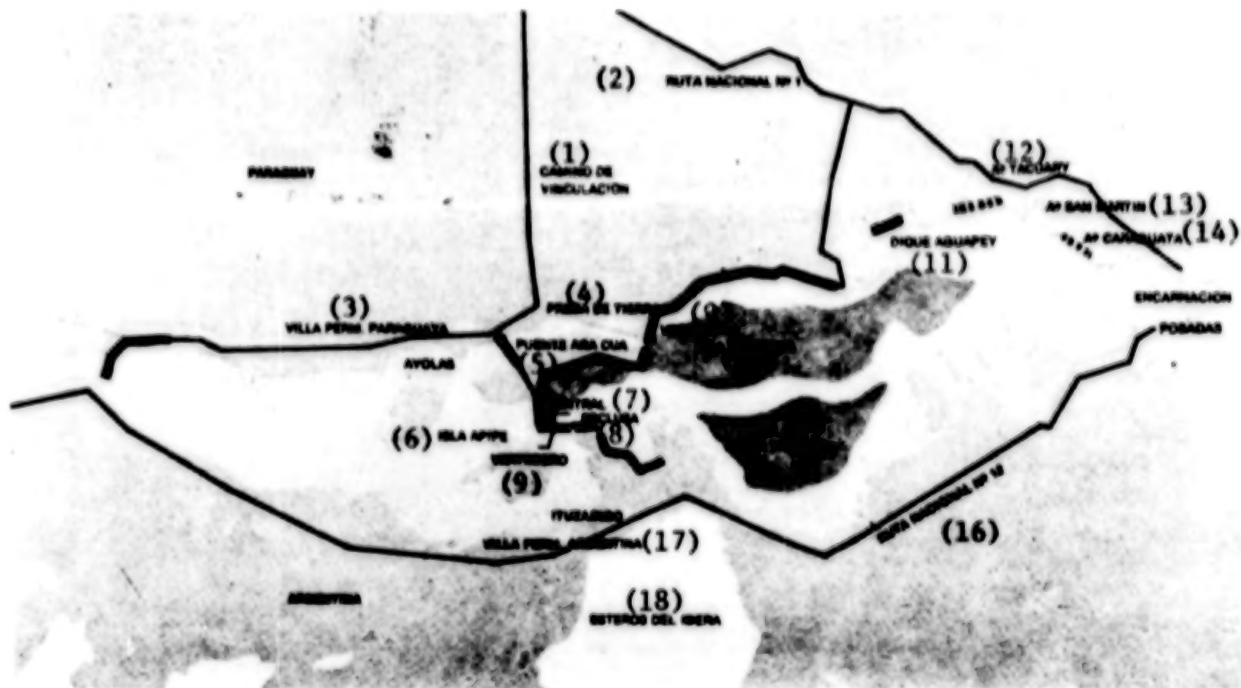
Now then, the bid correction was subsequent to the envelope opening. This raises problems of a legal nature. Because of that, on 15 December the METANAC people had a conference with Martinez de la Hoz without obtaining any positive answer, as is normal.

What is happening is that the problem must be stated differently: a) Allis Chalmers agrees to set up a plant in Argentina to make the turbines for Yacyreta. Then, does it make sense to set up another turbine plant? b) IMPSA has a plant installed in Mendoza and building the turbines would represent 1 million man-hours of work (70 percent in Mendoza) and the possibility for ACINDAR [Argentine Steel Industries] to supply 5,000 metric tons of steel. Can the national economy and, especially, the hard-hit Mendoza economy, lose that kind of opportunity?

It is obvious that this decision goes beyond Yacyreta, because a broad range of circumstances must be taken into account, among which the following are prominent: what the actual participation by Argentina's industry in the Allis Chalmers plant will be and what would it be in IMPSA (here it would be 85 percent); whether it would not be advisable to turn over to IMPSA completely the manufacture of nuclear components (for which its location in Mendoza is ideal), leaving Allis Chalmers to supply turbines, and whether it would not benefit the Yacyreta time schedule to subdivide its suppliers.

It is known that the governor of Mendoza, BrigGen Rolando Ghisani, made the province's concerns known to Viola -- in their recent conference -- with regard to how favorable participation by IMPSA in Yacyreta would prove to be to the nation's economy.

Nevertheless, the present authorities in the economic area have absolutely evaded the problem, as if showing that the problem is centered in the lack of a national industrial policy.



General layout of the Yacyreta construction job at the time of the latest modifications.

Key: 1. connecting road; 2. National Highway 1; 3. permanent Paraguayan town; 4. earth dam; 5. Ara Cua Bridge; 6. Apipe Island; 7. powerplant; 8. sluice; 9. spillway; 10. Yacyreta Island; 11. Aguapey Dam; 12. Tacuary river; 13. San Martin river; 14. Caraguata river; 15. Talavera Island; 16. National Highway 12; 17. permanent Argentine town; 18. Ibera swamps.

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PROBLEMS OF EROSION DELAY SALTO GRANDE WORK SCHEDULE

Buenos Aires LA PRENSA in Spanish 14 Jan 81 pp 1, 4

[Text] The placing in operation of new turbines in the Salto Grande Dam that Argentina and Uruguay are constructing on the Uruguay River will undergo a delay of a little over a month, owing to defects detected in the structure of the hydroelectric complex, a spokesman for the agency responsible for constructing the monumental job confirmed today.

Francisco Papini, press chief of the Joint Salto Grande Technical Commission, stated this afternoon to NOTICIAS ARGENTINAS that "work has already been started for repairing the erosion detected almost a year ago in the riverbed near the dam. This will make it necessary to delay a few days" the rigging of new turbines.

He placed emphasis on pointing out that this work being performed on the Argentine bank "in no way affects the operation of the six turbines" already set up in the machinerom installed on Uruguayan territory. With an installed power of 910,000 kilowatts "they are generating energy perfectly and without difficulties."

Repairs

He said that a cofferdam has been built on Argentine territory. It is a kind of embankment to hold back the water, thus forming a kind of small lake that will already be dry on Sunday and will make it possible to start work to repair the erosion detected in the riverbed, where the dispersers next to the center spillway of the dam are located.

Papini stated that the work will postpone by about 40 days the placing in operation of the first turbine installed in the machinerom on Uruguayan territory, although he clarified that "this turbogenerator is already capable of being tested," because the erosion repair work in no way makes work in the machinerom difficult.

The first turbine of the seven that will be installed on Argentine territory, was going to be tested in the next few days and officially placed in operation in the middle or at the end of this coming February. The press chief of the Joint Technical Commission estimated that this new turbogenerator will be placed in operation in the first half of April, approximately. "At any rate," he pointed out, "that will not affect the final time schedule of the job."

The Salto Grande Dam is being built on the Uruguay River, about 460 kilometers northeast of this capital. The first of the 14 turbines with which it is equipped was placed in operation on 21 June 1979 by the presidents of Argentina, Jorge Videla, and of Uruguay, Aparicio Mendez. It is anticipated that it will be completed in February 1982.

PEMEX IS NOW MAJOR PETRONOR STOCKHOLDER

Mexico City EL SOL DE MEXICO in Spanish 23 Dec 80 pp 1-B, 4-B

[Text] Madrid, 22 Dec (EFE) — The Leasing Company of the Petroleum Monopoly, Inc. (CAMPSA), and Mexican Petroleum (PEMEX) have arrived at a definite agreement on the sale of 19.26 percent of the stock of Petronor (Northern Petroleum) by which the Mexican enterprise will pay \$47 million, reliable sources informed EFE.

The signing of the agreement will take place during the first two weeks in January, and in order to be present engineer Jorge Dize Serrano, director general of PEMEX, will travel to Spain.

Some sources reported that last week the negotiations were continued in order to work out the last details of the agreement which was reached before the end of the week.

In the end, PEMEX will pay CAMPSA U.S. \$47 million for the packet of stock to which it held an option. This is the same amount that CAMPSA paid the Gulf transnational enterprise for the same packet.

The CAMPSA-PEMEX operation appears, however, to be reaching a very high level of cooperation. The Spanish firm will distribute in Spain some of the Mexican firm's products, specifically the Tolteca lubricating oils, and PEMEX has shown interest in establishing a chain of service stations in Spain.

After the agreement was signed Northern Petroleum (Petronor) stock stands as follows:

PEMEX.....	34.28 percent
CAMPSA.....	32.86 percent
Bank of Bilbao.....	10.95 percent
Bank of Vizcaya.....	10.95 percent
Bilbao Savings Bank.....	5.48 percent
Vizcaina Savings Bank.....	5.48 percent

Petronor sources said that once PEMEX's entrance as the largest stockholder has been formalized, investment will be initiated for the construction of the plant for FCC (transformation of heavy crude into light), which will amount to almost \$500 million.

Madrid, 22 Dec (AP) — Mexican Petroleum (PEMEX) has become the company with the largest number of stocks of the Spanish enterprise Northern Petroleum (Petronor), official sources reported today.

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LARGE COAL RESERVES EXIST IN COAHUILA

Mexico City EL DIA in Spanish 19 Dec 80 p 8

[Article by Sadot Fabila Alva]

[Text] Evaristo Flores Garcia, an official of the Mineral Resources Council [MRC] of the Secretariat of Patrimony and Industrial Development, reported yesterday that in the towns of Rancho de Garcia and Abasolo, Coahuila State, coal reserves of 13,064 tons had been measured and he described them as having real economic interest.

These reserves are on the surface. In Rancho de Garcia there is an area of 90 hectares and in Abasolo an area of 70 hectares.

In Rancho de Garcia, said Flores Garcia, who is in charge of the exploratory work, three areas were established: in one 4.162 million tons were measured, in another 2.772 million and in the third 2.789 million.

Only one area was established in Abasolo where 3,339,843 tons were measured.

Flores Garcia said that the explored areas are within the coal-bearing region of Coahuila.

Fernando Bernal Hernandez, from the geological exploration office of the MRC, commented that in Temascaltepec, State of Mexico, there is a mineral potential of considerable magnitude. Work is being done there on 17 mining projects of which the most important are Veta Rica el Perdon, El Socavon, San Antonio and Las Animas.

In Veta Rica el Perdon important deposits of sulfide of lead and zinc, pyrite, chalcopryite and silver minerals have been measured. A possible deposit of 10,000 tons of those minerals has been estimated.

He said that the principal minerals in San Antonio are milky quartz, pyrite and argentiferous galena.

And at Las Animas there is slate, granite, basalt and andesite.

Engineer Enesimo Motolinia Garcia, also from the MRC, reported that in the municipality of Compostela, Nayarit State, gold and silver reserves of 81,356 tons have been measured.

He estimated probable reserves of those minerals to be 181,731 metric tons. In addition to gold and silver there is also pyrite, iron oxide and manganese.

PROVEN CRUDE RESERVES EXCEED 15.32 BILLION BARRELS

Mex'co City EXCELSIOR in Spanish 31 Dec 80 pp 5-A, 28-A

[Article by Antonio Garza Morales]

[Text] Mexican Petroleum [PEMEX] has announced that proven crude oil reserves in Mexico increased from 44.8 billion barrels to 60.126 billion barrels between 31 December 1979 and 31 December 1980.

The increase in the reserves was 31.28 percent in one year.

PEMEX announced in its yearend report that proven reserves are 38.042 billion barrels.

PEMEX also announced that potential reserves--which include the proven and the probable reserves--are 250 billion barrels.

This last estimate is based on indications that hydrocarbons are present, geological tests which allow for an initial quantitative estimate but which have not been technically certified as yet.

Jorge Diaz Serrano, director general of PEMEX, in making the above announcement, pointed out that these estimates have been certified by the Mexican Petroleum Institute.

What is noteworthy in this report by Diaz Serrano is that an increase of 538 percent has been achieved when compared to the proven reserves which existed in December 1976 at the beginning of the Lopez Portillo government.

Diaz Serrano explained that the increase in these reserves is due to the inclusion of quantities which previously were considered probable and of deposits located in new fields.

The figures which were given by the state enterprise were included in the 1 September report by President Lopez Portillo, and there are really no major changes, although the significant increase over last year's 31 December figures was noted.

PENEX also reported that between 24 November, when the storm hit the Gulf of Mexico, and yesterday, there was a loss of production of 3.405 million barrels with an approximate value of 2.701 million pesos.

Because of the bad weather the ships which were to have loaded crude in the port of Pajaritos stopped doing so and the wells had to be partially closed in order to keep the crude from spilling out of the deposits.

The average daily production of 995,000 barrels of crude in the Bay of Campeche was not reached yesterday.

At the same time PENEX announced that another storm has appeared in the Bay of Campeche for which reason it may be necessary to take other measures to decrease production again.

Starting 26 December and up to the date on which the tankers started loading, a total of 18 vessels loaded 7,281,933 barrels of crude destined for the countries to which Mexico exports hydrocarbons and for the centers of domestic consumption.

Finally, PENEX reported that Jorge Díaz Serrano had taken a trip to Tampico and Ciudad Madero to visit the installations where marine petroleum platforms are being built.

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HIGH DOMESTIC OIL CONSUMPTION CONCERNS ENERGY MINISTER

Caracas EL DIARIO DE CARACAS in Spanish 13 Jan 81 p 11

[Text] Minister of Energy and Mines Humberto Calderon Berti has let it be understood that he is decidedly in favor of an increase in the price of gasoline to avoid waste of this product.

According to the government press agency VENPRES, the minister based his suggestion on the absurdity of the price of a barrel of gasoline in Venezuela, where it sells for the equivalent of \$5 per barrel, while the price on the international market is the equivalent of \$40 per barrel.

Calderon Berti stated, "We have studied this matter thoroughly." He predicted that if domestic demand in Venezuela continues growing at the present rate, we could be consuming 1.6 million barrels a day by the year 2000. "This would mean that we would have no oil left to export," he said.

The head of Energy and Mines pointed out that this in itself need not be altogether bad, explaining that if this daily consumption were to ensure our industrial growth, creating jobs and broadening our developmental base--in sum, were it to develop our petrochemical industry--it would benefit the nation.

The minister added, however, that our gasoline consumption is for the most part centered on private vehicles, which do hardly more than create huge traffic jams in Caracas, as in other cities of the world.

Electrical Energy

The high official also called attention to the fact that Venezuela's high fuel-consumption rate is not confined to transportation alone, but rather extends to the use of electrical energy as well.

"For example," he said, "the Centro de Cadafe plant consumes 50,000 barrels of residual oil a day, the price of which is \$30 a barrel."

On the basis of a quick mental calculation, Calderon pointed out that this plant alone spends over \$1 million a day on fuel.

"I have so many times in the past appealed to the public conscience to avoid this waste," Calderon recalled, "that it now sounds like a popular ditty. Unfortunately, people are not taking cognizance of the seriousness of the problem. For this reason," he emphasized, "stronger measures must be adopted. We must increase the price of fuel."

An Indexation System

The minister's thesis, however, does not consist solely of a rise in the price of gasoline for motor vehicle consumption, but rather includes instituting a system of indexation, which would provide for periodic and automatic rises in accordance with price rises on the international market.

"In this way," the minister says, "when people buy a vehicle, they will not buy a big 8-cylinder one, but will rather decide in favor of a modest-sized, 4-cylinder one, simply because they would know that the latter will consume less gasoline." According to VENPRES, he added that "this is the only way to conserve energy and produce added tax revenues."

Petrochemicals

In another area, Minister Calderon Berti expressed concern over the problem being presented by the national petrochemicals industry, which, as is known, has been incurring losses since its creation. Since 1978, it has lost 600 million bolivars; in 1979, it lost 450 million bolivars; and in the year just ended, it lost 300 million bolivars.

"If we succeed this year in eliminating the burden of continued financial losses in petrochemicals," Calderon Berti said, "the nation will recover its faith in that industry, which is vital from every point of view."

Minister Calderon affirmed that what he referred to as the "politization and corruption" of past years in that industry has been done away with. "The only thing being done in that industry now is work, work, work," Calderon asserted.

Referring to the Oil Belt, the minister indicated that "there must be major participation by the national component in the areas of planning, crews and construction materials." He also justified the oil industry's production costs, pointing out that it employs 34,000 persons.

Warning to Developing Countries

Calderon Berti issued a virtual warning to developing countries, intended to head off the possibility of their forming, together with the industrialized nations, a common front against the OPEC [Organization of Petroleum Exporting Countries].

"We have viewed that possibility with great concern, and Venezuela has maintained a very clear position within that organization, because we are members of the community of developing countries," he said. "We feel a moral obligation toward those countries. The OPEC countries cooperate, as compared with their GNP, to an extent 11 times greater than does the industrialized world," he emphasized.

PDVSA VP DISCUSSES HUMAN RESOURCES PLANNING

Caracas EL DIARIO DE CARACAS in Spanish 10 Jan 81 p 8

[Article by P.J.B.: "We Must Anticipate Tomorrow To Make Our Decisions Today"]

[Text] "Strategic planning of human resources is a new concept, by means of which the human resource is being incorporated in corporate planning," said Julio Cesar Arreaza, vice president of PDVSA [Venezuelan Petroleum, Inc.] at a press conference held in the offices of that institution.

PDVSA and its subsidiary enterprises, in cooperation with the Simon Bolivar University, have organized the First Seminar on Strategic Planning of Human Resources, to be held 20-23 January, for institutions and persons interested in analyzing administrative and management practices that have now become traditional in the oil industry. They are now to be strengthened through intermediate and long-term planning.

"Neither the availability of funds nor of material resources are sufficient in themselves," Arreaza emphasized. "To these we must add realistic foresight that is perfectly feasible if projections are made on a scientific basis and in coordination with other bodies in our national life which might become directly or indirectly involved in our programs."

Present at the PDVSA vice president's press conference, and accompanying him, were the members of the seminar's organizing committee, headed by Jesus Sanabria of the PDVSA and by Osman Vilorio of the Simon Bolivar University, together with Reinaldo Demori, coordinator of organization and human resources at the PDVSA home office.

Arreaza remarked, and offered as an example, the evident fact that most of the student body at secondary educational levels is feminine. He added that this reality is inexorably modifying, with ever increasing force, the very structures of the organizational culture in all fields of human activity.

Educational Imbalance

"The oil industry," he continued, "which finds itself at a stage of accelerating expansion, with investment programs totaling, for this decade, around 100 billion bolivars, cannot afford to risk approaching the implementation of these programs

without the people that will be required, at all levels and in the most diverse areas of knowledge and practice, to accomplish successfully and within the established timeframes, the maze of projects that has been set up to date."

It must be recalled that the oil industry has allocated, for 1981 alone, 28 billion bolivars among various programs of expansion and consolidation of the national oil enterprise.

Experience Is the Key

The PDVSA vice president pointed out that this enterprise and its subsidiaries have now acquired sufficient experience in the field of human resources planning to be able to convey it to other sectors of our national life, and that this is why it has organized this initial seminar, together with the Simon Bolivar University.

Work Safety

Vice President Arreaza was asked, "How many employees does the PDVSA have, and what is the work accident rate?"

"We have revolutionized the field of work safety," Arreaza replied. "The number of fatal accidents is infinitesimal, if we consider the length of time we have been operating in this country. Nevertheless, we are not stopping at this. We are continuing our endeavors to improve our record. An example of this is the campaign that is currently under way in CORPOVEN, one of our subsidiaries."

Reinaldo Demori, of Organization and Human Resources, responded to the question as to the number of employees working in the enterprise. "In 1957," he said, "there were working in the enterprise, which was not yet nationalized, 46,500 employees. Currently, we are seeking to level off at 34,000 employees. We have, on the one hand, eliminated the bureaucracy, and we will, on the other hand, be employing solely those workers needed by the enterprise each time it starts up a new project."

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CSO. 3010

CALDERON BERTI COMMENTS ON PDVSA BUDGET

Caracas EL DIARIO DE CARACAS in Spanish 10 Jan 81 p 8

[Text] Minister of Energy and Mines Humberto Calderon Berti has declared that the year that is ending now was one of "extraordinary achievements" and that "the oil industry will continue expanding its operations in 1981."

The PDVSA [Venezuelan Petroleum, Inc.] budget for 1981 will total 28 billion bolivars, exceeding the national budgets of many Latin American countries.

Of this amount, 15.046 billion bolivars are being allocated to capital investments although only 12.535 billion of this will actually be disbursed in 1981.

The 1981 operations budget will total 13.223 billion bolivars.

This information was released to the press by Minister Calderon Berti at what is to be his last 1980 press conference.

"Actually," said Minister Calderon Berti, "the press conference we have called for today, besides serving to justify the confidence the nation has in the personnel serving in the petroleum industry in the interest of a fit management of our basic wealth, will also provide the opportunity to discuss some details of the petroleum industry's operational plans for the coming year, the extent of which is reflected in the budget we have just approved."

Referring to exploration and exploitation operations, including those in the Orinoco oil belt, the minister said that exploration will consist of a technologized search for and consequent quantification of hydrocarbon resources in the areas of interest, and an intensified search to develop our free-gas potential, with special emphasis on the boundary zone between Aragua and Guarico.

"In the continuing effort to explore and quantify the Orinoco oil belt," the minister said, "218 wells will be drilled and 8,190 seismic lines will be run."

The minister added that "As regards the entire country, the total effort and investment are reflected in the planned total of 343 exploratory wells and 18,139 kilometers of seismic line surveys, involving an investment of 2.62 billion bolivars."

Production

Minister Calderon Berti stated that production in 1981 will be 2.2 million barrels a day, 40 percent of which will be heavy crudes.

Calderon Berti also said that it is planned to produce 60,000 barrels of natural gas a day, and that efforts will be intensified to reach a production potential of 2.8 million barrels of oil a day over the intermediate term, by optimizing the drilling of development wells, reworking inactive wells, and secondary recovery methods, with integral use of associated natural gas.

The chairman of the PDVSA stockholders' board affirmed to a plenary meeting of the board of directors that, to boost production, more than half a dozen wells throughout the national territory were already in the process of being reactivated.

Refining and Domestic Market

With regard to these two points, the minister said that "The oil industry intends to implement refining plans on the basis of rational operation of the nation's refineries taken as a whole, with special emphasis on economic considerations. Those refining pattern changes needed to supply the domestic market's demand for oil products will be planned and undertaken in accordance with policy and market criteria."

Referring to the domestic market, the minister stated that efforts will be intensified to achieve rationalization of the supply of hydrocarbons to it. Calderon Berti said that more attention will be given to supplying grades of gasoline that meet the requirements of the automotive vehicles in use throughout the country.

Research and Petrochemicals

In this regard, the minister stated that all available resources will be utilized in the research effort.

As for petrochemicals, he said efforts will be intensified to complete during 1981 the renovation of existing installations.

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CSO: 3010

FURTHER REPORTAGE ON ARGENTINE REACTION TO BEAGLE PROPOSAL

General Menendez Speaks Out

Buenos Aires LA NACION in Spanish 12 Jan 81 p 9

[Article by Gen (ret) Luciano Benjamin Menendez: "The Southern Border Conflict"]

[Text] The papal proposal on the Beagle has just been announced, although not officially.

Since it is precisely that, a proposal, and the Pope's intervention is mediation, it befits us to make the pertinent observations.

First of all, we must be on guard against a campaign, or whatever it might be called, that would offer us in this matter the tragic choice of peace or war.

Certainly, if one had to choose abstractly one of those two options, any sane person would choose peace.

But the fact is that is not the option.

The choice that we Argentines must make is between obtaining what is ours, or losing it. Naturally, the ideal is to obtain it peacefully.

If we do not state the choice in that way, we are distorting the view taken to consider the problem, and as a result we could make a mistake in solving it.

Another point of departure that must be taken into account is that what is in dispute is not the possession of a few rugged, freezing, small islands, but rather the possession of land that creates sovereignty over the South Atlantic, and its projection into the Argentine Antarctic.

We should remember that, as a result of previous pacts, both of our countries agreed that Argentina would not have any coast on the Pacific, nor would Chile on the Atlantic; and therefore everything lying east of the Cape Horn meridian is Argentine, and what lies west is Chilean.

And an express qualification is in order here. We should never have opened the discussion about our ownership. Nevertheless, it is a fait accompli, and we must accept it as such.

From the time when we agree to discuss the ownership of our land, it is obvious that we shall have to surrender something; to be sure, without going to the extreme of sacrificing our policy objective.

This is warranted if we could thereby preserve peace which, in addition to being an invaluable asset in itself, means not breaking off from a fraternal nation, to which we are bound by the fact that we gave it its freedom, no less, and by the same traditions, a common struggle against communism and identical interests on the Antarctic continent and in the seas to the South, which we quite possibly may have to defend united.

The legal titles that may exist are not important in this regard, because many of them are invalid. It is not worthwhile probing into the background of the dispute, because we are faced with an obvious problem here: Argentina and Chile want the same thing: we, through legitimate, historic, rights; and the Chileans, by relying on rights acquired in consecutive acts of expansion.

What is important is to establish, clearly and definitively, on the spot, the Argentine principle in the Atlantic, and that of Chile in the Pacific.

To what extent can we give in? Unquestionably, the extent which the Argentine policy objective requires, and that is: to be the only owner of the South Atlantic Ocean, and to be projected authentically into the Argentine Antarctic.

In the triangle formed by Cape Horn, the eastern part of the Beagle Channel and the eastern part of Nueva Island there are 10 islands which are, from North to South: Picton, Nueva, Lennox, Terhalten, Sesambre, Evout, Freycinet, Barnevelt, Deceit and Hornos.

Of these, the ones which form the eastern side of the aforementioned triangle, that is, the ones facing the open Atlantic, are: Nueva, Evout, Barnevelt, Deceit and Hornos.

Subscribing to the theory put forth by Gen Osiris G. Villegas, these are the ones which, at least, should be Argentine.

By a fortunate coincidence, they are five of the 10 islands, which lends the distribution a completely fair nature. And there is still more for Chile: the western half of Hornos Island would go to that country, because it lies west of the Cape Horn meridian; and, although we agree to yield something of ours, we do not want anything belonging to another.

Hence, it is necessary to suggest the pertinent changes in the holy Father's proposal, so as to arrive at a suitable solution for Argentina.

To accept that proposal, as we know it, would mean failing to meet our policy objectives; and that would mean not only cheating the country, but also sowing the seed of a future, almost certain conflict.

In fact, Argentina's sovereignty in the Atlantic will by no means be definitively assured if that sovereignty does not begin on a base line that is solidly backed on firm ground. This is, precisely, the concept of a base line: it is an imaginary line, based on the points of a coast, which serves to measure from the latter the expanse of territorial waters and economic waters that are exclusive to the riparian state.

Becoming devil's advocates, if, according to the Pope's proposal, the islands are Chilean, why is the sea Argentine? If what projects sovereignty is land, it means that the "sea of peace" is not Argentine, but Chilean. And while that may not be said now, no one can insure that the discussion will not reopen in the future, based on the unfairness of the fact that the owner of the land has only 12 miles, and the one that does not own anything (because that is our status in that zone) is the owner of that sea. Especially now, when the Third World Conference on the Law of the Sea has just approved the concept of an economic sea, extending up to 200 miles, or to where the underwater shelf ends, and the exploitation of which is in the exclusive jurisdiction of the riparian state.

And, pursuing this logic, much of the Argentine Antarctic would cease to be Argentine, because the projection toward the South of this "sea of peace" lies precisely at the extreme northwest of the Antarctic peninsula, just where the latter is called Tierra de San Martin, no less.

No, no; there must be a crystal clear definition, on firm ground, of the Argentine-Chilean boundary. Argentina should propose to His Holiness, John Paul II, that at least the islands facing the open Atlantic should be Argentine, so as to maintain its position as a riparian state and, thereby, its sovereignty over this ocean and its projection into the Antarctic.

If we were to yield our position as a riparian state, we would display total irresponsibility, which would subject us to the clearcut judgment of history; because not only would we not be consolidating peace, but also we would have accepted a dispossession that would become worse with the passage of time, thereby transferring to our descendants the obligation to make reclaims using any means.

And we the present peace-seekers would be the ones solely to blame for that future conflict.

Referendum, Other Proposals

Buenos Aires LA PRENSA in Spanish 14 Jan 81 p 6

[Excerpt] Petition From a Tucuman Party

San Miguel de Tucuman (NA)--The Tucuman center party, White Flag Provincial Defense, demanded of the national government that it consult the people about the proposal from Pope John Paul II regarding a situation involving a boundary dispute with Chile before giving its response, while at the same time denying it the authority "to decide by and of itself on the territorial and maritime sovereignty."

The partisan group announced its position in a document disseminated here on the basis of a map of the proposal from the mediator published in Buenos Aires and not denied by the government, the result of which is that the "Argentine Confederation must yield another 120 square kilometers of its territorial and maritime domain."

The statement declares that the map, published by LA PRENSA on 7 January, shows an area concerning which "Argentine sovereignty has never been questioned" as being under Chilean jurisdiction; and adds that, according to the demarcation itself, "Chilean sovereignty is recognized over the Atlantic, putting an end to our theory that this sea is Argentine, and the Pacific is Chilean."

Provincial Defense, in the document signed by its representative, Exequiel Avila Gallo, observes that, in view of this situation, as a political party it has resolved "to deny the Government of the Armed Forces authority" to decide on the issue of sovereignty.

It also requests that "the papal proposal be released to the press, for the information of the Argentine people," and that "the people be consulted about it."

It adds: "If the people are not consulted, because of a lack of a National Congress, everything that is decided is completely nullified, and does not bind any subsequent government to comply therewith."

In addition, it announces its decision to reject "outright any proposal that would entail continuing the mutilation of our territorial and maritime sovereignty."

In the statement, it gives a reminder that "Chile's expansionist policy has already cost many square kilometers of Argentine territory and seas, and its plan to obtain our Patagonia is continuing, inexorably, with the passage of time."

From Gen Jorge Leal

Salta (NA)--Gen (ret) Jorge Leal, who 15 years ago was the leader of the first Argentine expedition to the South Pole, claimed here that the most honorable decision that Argentina and Chile, "two nations which claim to be Christian," could make would be to accept any advice that Pope John Paul II might give for the solution of the boundary dispute between the two countries.

Leal declared: "So that the authorities may have peace of mind concerning the decision to be made in this dispute, a good solution might be a referendum, both on this and the other side of the mountain range."

He said: "I have no doubt of what they (both peoples) will think, because I don't believe that there is any Argentine who could doubt the justice of what the Pope

advises us, just as no Chilean should do so; and for this reason they must have very clearcut notions about what their response should be."

Leal, who made statements to this city's newspaper, EL TRIBUNO, remarked that, "to some extent, we are all influencing the authorities' decision," although he claimed that "some are having a negative influence on the real, genuine interests of the nation," calling them "coffee warmongers."

Leal claimed that the fundamental problem may perhaps not be the sovereignty over the three islands in the South, commenting: "I have always maintained that Hispanic-American unity is the solution; and on the day when we are united, it will be of little concern that an island belongs to one country or another, because we shall all belong to that Hispanic-American Federation."

Objections Workable

Buenos Aires LA PRENSA in Spanish 14 Jan 81 p 6

[Text] Rome, 13 Jan (NA)--There has been an expansion of the international frame of reference involving the southern problem, cited by the Pope to the diplomatic corps in his review of the international problems most urgently in need of solutions.

Yesterday, the Beagle problem was brought distressingly to the attention of the world by John Paul II, in a reference made during the hour-long address delivered to the diplomatic corps, which was in attendance for the traditional New Year's greeting.

The concern with which the Holy See is following the progress of the process of accepting its proposal was (we repeat) distressingly in evidence, when the pontiff included the southern dispute on the long list of dangerous conflict situations that are causing agitation in the world.

A diplomatic personage knowledgeable on Latin American problems, in commenting on the Pope's address, said: "It would be a serious mistake for Chile, but especially Argentina, to think that the boundary dispute is a problem that can be handled solely from a short-term standpoint, or that of domestic policy."

The Difficulties

In connection with the difficulties that the solution proposed by the Pope would entail for Argentina, the same individual stressed: "There is apparently a widespread tendency to forget that the Beagle problem started with legal realities which the opposing parties could not manage as they wished, and apart from the Vatican's best intentions of finding an acceptable solution for both sides, the overall context of the negotiations must necessarily be based on that background."

In the view of other observers, it is also essential to bear in mind that, immediately after the formal joint audience held last December, Cardinal Antonio Samore himself, the final architect of the proposal, according to the view held in diplomatic circles, stated that the papal proposal was not a matter subject to haggling.

'The Best Possible'

In Vatican circles dealing with the issue of the Argentine-Chilean conflict, it is claimed that what should grow now in the minds of both countries is the conviction that the proposal really is, of necessity, the best possible one (while still accepting possible finishing touches or details).

It is also added that, if there is vacillation in this regard, a dangerous dead end could occur; because it is unthinkable to imagine a third appeal that would reopen the case and make possible what was not achieved through the first arbitrator's decision, and after the abortive bilateral negotiations, culminating in the Act of Montevideo, averting the brink of war.

When the Holy Father asked the ambassadors gathered in his presence to pray "for a fortunate, definitive solution" to the conflict, he not only showed his concern as a pastor, but also voiced a clear warning aimed at dispelling possible temptations to change the rules of a mediation which, as has been said so often, was "fated to succeed" from the outset.

Caution in Santiago

Santiago, 13 Jan (EFE)--Chilean diplomats are carefully monitoring the steps being taken by the Argentine authorities with regard to the proposal from Pope John Paul II to resolve the southern dispute between the two nations, according to reports in Santiago today.

Despite the fact that the Chilean representatives have been very cautious, it was noted by government sources that they are carefully monitoring each step taken by the Argentine Government's representatives; and there is a conviction that, after the explanations or specifications requested of the Supreme Pontiff, the neighboring country will express its approval.

One observer claimed that the acceptance should occur within a week or a little longer. Thereafter, and once the Pope, who is acting as a mediator in the dispute, receives word of the response, a new session will have to be awaited.

Under these circumstances, the next steps will be to implement the various aspects of the proposal, which up until now has been absolutely limited to the Chilean opinion, in the accords and conventions between the two nations.

Although nothing has been announced officially here, and the authorities have been silent in this regard, there is the conviction that President Augusto Pinochet gave an affirmative response to the papal proposal.

Appeal From the Pope

The comments occurred here after it was learned that the pontiff had appealed to the Latin American diplomats to "pray that a fortunate solution will finally culminate the negotiations" on a dispute that has lasted over a century.

Last Sunday, prayers were said here, at the top of San Cristobal Hill, where there is a shrine to the Virgin Mary, on behalf of reaching an understanding between the two fraternal nations of the Southern Cone of America.

The same day, over 4,000 Chileans and Argentines gathered to pray on an esplanade located on the boundary between the two countries, at Puyehue Pass, 125 kilometers from the town of Osorno.

Delegations of Chilean Catholics from Osorno, and delegations from the Argentine province of Neuquen arrived there.

The bishop of Osorno, Francisco Valdes, and the bishop of Neuquen, Jaime Nevares, held a concelebrated Mass out in the open.

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CSO: 3010

BRIEFS

HONDURAN CGT SUPPORTS NICARAGUAN CTN — Tegucigalpa -- The president of the General Workers' Federation (CGT), Felicito Avila, yesterday condemned the intentions of the Sandinist government of Nicaragua to dissolve the Federation of Nicaraguan Workers (CTN) in order to create a single workers' organization. "We oppose this decision because it is a way to oppress the workers and the people themselves, since the CTN fought before the Sandinists did against the regime of Gen Anastasio Somoza," said Avila. He stated that what they are doing in Nicaragua is very serious. They are creating a single Sandinist Workers' Federation, thus pushing aside the CTN, which has fought for the improvement of the Nicaraguan workers. [Excerpt] [San Pedro Sula LA PRENSA in Spanish 2 Dec 80 p 2] 8956

CSO: 3010

TURBAY: FINANCIAL SITUATION INCREASINGLY SERIOUS

Bogota EL ESPECTADOR in Spanish 14 Jan 81 Sec A pp 1, 8

[Text] Yesterday, President Julio Cesar Turbay Ayala claimed that Colombia's financial situation continues to be "more serious every day."

Accepting the resignation of Finance Minister Jaime Garcia Parra, the president again called the country's attention to this specific point, while other sources mentioned the possibility of a tax reform to raise taxes.

In his response to Garcia Parra, the national chief executive expressed sadness at "the resignation of one of the fighters with whom we had to wage great battles to uphold the principle of sound currency, an economy without artificial starts, a stimulus to production without exceeding high inflation barriers, moderate control of the money supply, management of the coffee policy and the rigors of the energy crisis."

Turbay Ayala gave public recognition for the performance of his finance minister up until next Friday.

Yesterday, Garcia Parra continued his normal service heading the Finance Ministry, a position that he will hold until Friday, when his successor, Eduardo Wiesner Duran, assumes office.

The new minister, for his part, held a similar position heading the office of national planning.

In his letter of resignation, the outgoing minister expressed his gratification at having served the national interests alongside President Turbay Ayala, whom he described as "a superior man."

He also expressed his appreciation to the two sectors in which the Conservative Party is divided, for the support that they always offered him as head of the Finance Ministry.

Yesterday, Narino Palace released the letters exchanged between Turbay Ayala and Garcia Parra, the texts of which are as follows:

Resignation

"To Dr Julio Cesar Turbay Ayala, President of the Republic.

"Your Excellency, Mr President:

"Several months ago, I told you my reasons for resigning from the Ministry of Finance and Public Credit at the year's end. Today, I wish to formalize that decision.

"You did me the honor of allowing me to hold one of the most critical government positions representing the Conservative Party, whose leaders offered me support for which I want to express gratitude. I hope that I have fulfilled the responsibilities that were entrusted to me.

"As I have stated publicly, my greatest satisfaction has been that of working with an exceptional group under the leadership of a superior man. You have shown in abundance the highest qualifications as a statesman and a human being, and beside you shine the special qualities of the first lady, who performs immense social work.

"The direction, support, confidence and expressions of friendship that I have received from you require my deep gratitude and that of my staff.

"With the greatest regard and respect for you, Mr President.

"Jaime Garcia Parra."

From the President

"Dr Jaime Garcia Parra, Minister of Finance and Public Credit.

"Mr Minister:

"Upon receiving your letter of resignation, I have experienced sadness at the departure of one of the fighters with whom we had to wage great battles to uphold the principle of sound currency, an economy without artificial starts, a stimulus to production without exceeding high inflation barriers, moderate control of the money supply, management of the coffee policy and the rigors of the energy crisis.

"The financial situation, which continues to be more serious every day, and to which I have called the nation's attention on several occasions, was handled with expertise and diligence, which have earned you the admiration and gratitude of those familiar with the sense of responsibility with which you dealt with public problems.

"Upon resigning from the Ministry of Finance, you can be certain not only of my personal recognition and undying gratitude, but also that of those in your party or in other party groups, who know that you are an illustrious Colombian on many accounts.

"I am truly very grateful for your kind, respectful comments about me and about the acts of good will performed by my wife, and I wish you success in your new activities.

"I convey my expressions of gratitude to your incomparable wife.

"Affectionately, Julio Cesar Turbay Ayala."

Reactions

Several reactions were disclosed yesterday by sources in national industry and banking to the appointment of Wiesner Duran.

The president of FEDEMETAL [Colombian Metallurgical Federation], Carlos del Castillo, reacted as follows to the change in finance ministers:

"It seems to be quite a logical step, inasmuch as Dr Wiesner was the strategist who created PIN [National Investment Plan] with all its shortcomings and benefits. Therefore, we think that it is time to appoint the one who has been the person chiefly responsible for the national economic strategy during the past 2 and 1/2 years to deal with the problems created by his decision to carry ahead a highly inflationary public investment plan, and also to reap the victories won by the implementation of PIN."

He was asked: "Will there be an economic shift?"

"I don't consider that a possibility."

"Will there be more credit restrictions?"

"Interest, or the cost of money, has reached intolerable levels. Any credit restriction would lead to a real national catastrophe."

"Is a politician or a technician better in that ministry?"

"It doesn't matter. The only thing needed is a good minister."

The president of the Banking Association, Alfonso Davila Ortiz, for his part, declared:

"Although certain news media have claimed that the unions strongly criticized the government's policy, especially that personified by Dr Jaime Garcia Parra, I take this occasion to point out that we generally backed that policy, and we think that Dr Wiesner will continue it. What we have sought, and must insist upon, is the need to undertake a reform of the financial sector that will allow it to become modernized, and that will make its institutions better, stronger and more capable of competing in the new development process to attract national savings and gear them to the public and private investment that is required."

Eduardo Villate, president of the Colombian Savings and Housing Institute, remarked:

"First of all, I want to underscore the success that the government has had in its economic policy. Minister Garcia Parra's administration of the entire economy and the UPAC [Savings Certificates with Constant Purchasing Power] system has been satisfactory, as shown by the balance figures for 1980. We are greatly pleased with Dr Wiesner's appointment. We have known him for a long time, and he is very familiar

with us. Since he participated in the government's economic management, he can guarantee us that there will be continuity, and his concern for public investment, investment in infrastructure and the housing needs, indicates to us that there will be very great support from the new finance minister."

Former Minister Jorge Mejia Palacio, in turn, responded:

"The Wiesner factor was so obvious that he had to be the new finance minister. He was not appointed by the president, but by the entire country. As a manager of economic policy in the national planning entity, he is the one who has participated in that entire policy, and the one who must necessarily conclude it during the year and a half remaining to this government."

"Will there be an economic shift?"

"I don't think so, for the very reason that Dr Wiesner has taken an active part in formulating that policy. There will be changes which both the national and international circumstances require."

"Do you prefer a technical or a political minister?"

"I don't consider Garcia Parra merely a politician. He has always been typified as a man with great technical knowledge of economic matters, and I think that with Dr Wiesner...well, one is from the London School of Economics, and the other from the American school; but both have had their economic training."

Mejia Palacio proposed that the new minister attach priority to the marginal cash reserves to unfreeze \$45 billion from the national banks, so as to remove pressure from the money market which, he claimed, "is considered by the banks as a very great cause of that freezing."

In conclusion, he observed that, in the area of credit restriction, the same instruments would be used, depending on the circumstances: "If there is an excess money supply, there will be more restrictive measures. If the foreign exchange income is not so large as in past years, then the restrictions will be fewer. It all depends on the circumstances."

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CSO: 3010

NEW SUGAR PORT TO BE BUILT THIS YEAR

Bogota EL TIEMPO in Spanish 14 Jan 81 Sec A p 15

[Text] Buenaventura, 13 January--The sugar industry here announced the construction of the first specialized port in the country, in which \$150 million will be invested.

According to a prediction by director Luis Ernesto Sanclemente, chairman of the board of directors of the Colombian Molasses Company-Sugar Terminal, SA, which will own the port, the sugar terminal will be ready in August of this year.

In 1981, about 300,000 tons of sugar will be exported through this facility. In 1980, the exports totaled about 280,000 tons, which produced \$170 million in foreign exchange. In addition, \$20 million worth of molasses was sent abroad, making a grand total of \$190 million.

Sanclemente compared this figure with the \$54 million in 1979, commenting that the increase in the sector's exports was "really spectacular."

The sugar port will have a capacity to store 40,000 tons in 11,000 square meters of the No 9 warehouse in the Buenaventura maritime terminal.

The director gave a reminder that they had leased that terminal since 1964, according to a contract signed for 20 years. Now it has been proposed that the Colombian Ports Enterprise (COLPUERTOS) sign a new leasing contract for an additional 10 years; but COLPUERTOS wants to double the rates.

The current rate is \$7.00 per ton moved, which brings COLPUERTOS over 100 million Colombian pesos in annual receipts.

The sugar industrialists have proposed that the contract be extended for 10 years without a rise in rates, and that, at the end of that period, all the modern installations that have been built be turned over to the state.

The response from the state enterprise, which will be the owner of the extended and expanded areas of the warehouse in 1994, is not yet known.

Sanclemente said that the port will be almost completely automated, and the weighing system will be electronic. Plans call for a total handling of bulk sugar, which will be automatically packed on the specialized vessels.

Thanks to the system, a 12,000 ton ship which is loaded in 8 days now will be loaded in half the time: 4 days. In addition, since Buenaventura is the second most rainy region in the world (8 cubic meters of precipitation per year), a tarpaulin system is being considered, so that when it rains there will be no need to halt operations.

Sanclemente explained that, in order to make the project a reality, the enterprise's stockholders, 16 sugar mills, agreed on a capital increase of from 11 to 50 million pesos.

The owners of the Colombian Molasses-Sugar Terminal are the following sugar mills: Riopaila, Castilla, Manuelita, Cauca, Providencia, Mayaguez, Pichichi, San Carlos, Tumaco, Balsilla, Carmelita, Naranjo, Oriente and Bengala (which will sell their stock), and Risaralda and Cabana, which will join the company.

The entire plan for expanding and modernizing was exhibited in detail by the sugar industrialists to the minister of agriculture, Gustavo Dajer Chadid; the deputy minister, Carlos Ossa Escobar; the manager of the Institute for Development of Renewable Natural Resources (INDERENA), Cesar Ocampo; and consultant Guillermo Cadena.

Sugar Commission

During the meeting, Minister Dajer Chadid announced that he called a meeting of the National Sugar Commission on 19 January, at which the sector's policy has always been agreed upon.

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CSO: 3010

REFINANCED PLANT PREPARES MEAT FOR EXPORT TO USSR

Bogota EL ESPECTADOR in Spanish 17 Jan 81 Sec A p 8

[Text] Cartagena—A total of 2,200 tons of meat for export to the USSR are being processed at the facilities of Frigopesca, an entity which salvaged the Cartagena cold storage plant (the most complete and best located in the country), which was closed for 3 years after it had been declared bankrupt. The official opening of the new firm will take place today, Friday, with the minister of agriculture, Gustavo Dager Chadid, officiating, and will be attended by officials from the ministry and representatives of the livestock sector.

The cold storage plant operated with the firm name Frigocar, SA, and was set up with the most advanced equipment for the processing and cold storage of meat to be exported.

But Frigocar never produced profits. The firm was founded with projections to the international market, and it so happened that the beginning of its operations coincided with the drop in meat prices on a worldwide scale, which brought about an imbalance between production costs and the status of purchases.

The first attempt to use Frigocar's freezing equipment was made about 2 years ago, when the president of the Caribbean fishing company, Vikingos, Rafael Espinosa Gray, promoted the establishment of Propesca, for the purpose of fostering the building of a fishing complex with the participation of the countries interested in the extraction, freezing, processing, production and distribution of ocean products for the domestic market and for export. The plan was started with a group of Norwegian investors who contributed a fishing vessel associated with Vikingos, with which Propesca started exploratory commercial fishing in the Atlantic and the Pacific.

However, the mechanical system for slaughtering bovine cattle, with a capacity to convert 500 head of cattle into dressed carcasses each 8-hour work day, remained unused. In search of solutions for this problem of loss of profits from facilities whose current value is estimated at over 200 million pesos, Espinosa Gray planned the founding of Frigopesca, a firm which went into operation on 7 January, with the signing of a contract for the exporting of 2,250 tons of meat to Russia, managed by an expert in company management and the international market, Mr Luis Giaimo.

Frigopesca also supplies the local market with 200 of the 310 cattle that the Cartagena population consumes. Of the remainder, 80 are still slaughtered using rudimentary procedures in the municipal abattoir, and 30 in the El Cortijo private abattoir.

2909

CSO: 3010

KOREAN AGRICULTURE AND FISHERIES MINISTER ARRIVES

Bogota EL ESPECTADOR in Spanish 20 Jan 81 Sec A p 8

[Text] Today, the minister of agriculture and fisheries of the Republic of Korea, Chong-taek Chong, accompanied by leading officials from that country's government, will arrive in Bogota, where he will stay for 3 days.

Mr Chong-taek Chong will discuss matters of mutual interest to both nations with high-ranking Colombian Government officials, and his visit will unquestionably help enormously to increase the trade and economic cooperation, as well as to reinforce the joint efforts in the maritime, scientific and technical areas, bolstering further still the close bonds of sincere friendship that exist between the two nations.

The high-ranking official will meet with President Julio Cesar Turbay Ayala, to whom he will deliver a personal message from the President of Korea, Doo Hwan Chun.

He will also hold meetings with the minister of foreign affairs, Diego Uribe Vargas; of government, German Zea Hernandez; and of agriculture, Gustavo Dager Chadid; as well as with the president of the Senate and the Chamber of Representatives, Jose Ignacio Diaz Granados and Hernando Turbay Turbay, respectively; and with the magistrate of Bogota, Hernando Duran Dussan.

The Korean delegation headed by the minister of agriculture and fisheries consists of the following individuals: Soo Gil Park, minister of the Korean mission to the United Nations; Kab Dong Cho, counselor of the Korean Embassy in Venezuela; In Seh Myung, division director of the Ministry of Foreign Affairs; Jong Hwan Song, division director of the Ministry of Foreign Affairs; and Joong In Chun, division director of the Ministry of Agriculture and Fisheries.

At a special ceremony that will take place at the Bolivar Estate, the Korean minister will lay a wreath at the statue of the liberator, Simon Bolivar.

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CSO: 3010

BATEMAN 'OFFICIALLY' ANNOUNCES CANDIDACY

Bogota EL SIGLO in Spanish 13 Jan 81 p 2

[Text] Yesterday, the commander in chief of the extremist group M-19 [19 April Movement], Jaime Bateman Cayon, "officially" launched his presidential candidacy for the 1982-86 term.

From his clandestine status, the wanted subversive leader sent the international press agencies with offices in Bogota a bulletin yesterday, in which he proclaims himself as "the people's real alternative". The leaflet is illustrated with a photograph in which Bateman is shown raising the liberator's sword stolen from the Bolivar Estate, and displaying the organization's flag.

In the pamphlet, Bateman reiterates the fact that he will continue his campaign of proselytism, in his clandestine status or in public, for better or worse.

The latest action of the group's commandos, often including seizures of broadcasting stations, has been aimed at "promoting" Bateman as a candidate for the chief executorship of the nation.

Recently, the group has also warned that it will carry out more criminal incursions. The most recent of these was the kidnapping, last Sunday night, of the industrialist from Caqueta, Norman Yeyes, coowner of the Yep store chain, from which they expect to accrue large dividends.

2909

CSO: 3010

BRIEFS

EUROPEAN PARTIES SUPPORT JUNTA -- Two European Christian Democratic parties have given an endorsement to the Salvadoran Christian Democratic Party [PDC], which is currently "making efforts to broaden the democratic base of the Salvadoran Government," stated Dr Julio Alfredo Samayoa, secretary general of the PDC. This support, added our source, has been received through communiques from the European Christian Democratic Union (UEDC) and the European People's Party [PPE], whose Political Committees held a joint meeting at which they made an in-depth analysis of the situation in El Salvador. In accordance with the joint communique from the European parties, "in light of the resolution of the 21st Congress of the UEDC in Lisbon, a constant, scrupulous and unprejudiced examination of the situation in El Salvador takes on great importance." Dr Samayoa reports that in the communique of support sent to the Salvadoran PDC, the UEDC and the PPE "confirm their solidarity with the Christian Democrats of El Salvador, in the context of their efforts to promote internal peace in that country through speedy and energetic reforms and to put an end to the violations of human rights, from wherever they may come." [Excerpt] [San Salvador EL MUNDO in Spanish 3 Dec 80 p 2] 8956

CSO: 3Q10

NEWSMAN DENOUNCES RESTRICTION OF FREEDOM OF EXPRESSION

San Jose LA NACION in Spanish 21 Dec 80 p 2A

[Report on interview with Nicaraguan journalist Manuel Jiron Castrillo in San Jose, Costa Rica, on 20 December 1980]

[Text] Manuel Jiron Castrillo, a journalist and radio manager, denounced yesterday in this capital a repressive campaign against the independent mass media in Nicaragua.

Jiron Castrillo owns Radio Preferida and Radio Amor. The former was destroyed several times by the authorities of the overthrown Somozist regime, who also subjected it to an intense censorship. The latter has also suffered as a result of such attacks because its studios are located in the same building.

In an interview with this paper, Jiron Castrillo explained that Radio Mi Preferida was a spokesman for the Sandinist Front when it was clandestine. "Now," he says, "we are being persecuted, repressed and partially destroyed by the same Sandinist Front."

The station was attacked yesterday at dawn by a group of armed men who destroyed its files, carried several tape recorders with them, and damaged the audio equipment, according to Jiron's accusation.

"They were looking for me, because I have criticized the government, and they told me to watch out," Jiron added.

The Nicaraguan complained that the authorities "have called me only to verbally repress the accusations I have made," and said that the officials of the Sandinist government do not show any desire to hold a dialogue in order to remedy the situation.

Then, Jiron emphasized: "Our crime has been to point out the revolution's deviations." As an example, he mentioned the absence of political pluralism and of freedom of expression in Nicaragua.

"We believe," he observed, "that freedom of expression continues to be a delusive goal, but not a reality."

The manager, who defined himself as a "Sandinist, but not a mass follower," said that yesterday morning's attack, and the damages sustained by the radio stations, are proof that the current government is making attempts against freedom of expression.

"Repression against the media in Nicaragua," said Jiron, "is more violent now than during Somoza's days."

And then he said that "we are supporters of the freedom which our people have been longing for for the last 45 years, and there is no reason to remain silent about the abuse and violations of public freedom."

He was explicit in assuring that Radio Mi Preferida has maintained the same attitude--of denunciation--both before and after the victory of the Sandinist Front.

Nevertheless, he recalled that those who criticize the errors of the process Nicaragua is going through, are being called "counterrevolutionaries," "those who would sell out their country," "reactionaries," and "friends of imperialism." He added that: "We want a democracy such as that of Costa Rica and Venezuela which, according to the Sandinists, are not democracies."

On the other hand, Manuel Jiron accused the regime of wanting to strangle economically his radio enterprises by denying them their advertising business.

"In Nicaragua, the state is a large advertiser, since it has confiscated and nationalized 65 percent of industry and commerce."

And he added: "It does not give us a sin, and, as a repressive measure."

He expressed his pessimism when questioned about the future of freedom of expression in the neighboring country.

He illustrated the current situation this way: 2 newspapers, 48 radio stations (out of 59) and 2 television stations are "in the hands of the Sandinist Front, and not the state."

The businessman also expressed his concern for the political future of Nicaragua, and said that the nation will be submerged in totalitarianism "and is very close to " if the people do not receive any help from the nations that supported the struggle against former dictator Anastasio Somoza.

Manuel Jiron also affirmed that a high percentage of the population is unhappy with the ideological alignment of the junta. "If that situation is not corrected," he said, "Nicaragua shall be once again the scene of a bloody fight, such as the one sustained against the Somozist dynasty."

9756

CSO: 3010

GODOY ANSWERS QUESTIONS ON CURRENT LABOR ISSUES

Managua BARRICADA in Spanish 16 Dec 80 pp 1, 5

[Interview with Nicaraguan Minister of Labor Virgilio Godoy; date and place not given]

[Text] "Nicaragua's future is with the workers." This was a statement made by the minister of labor, Virgilio Godoy, in the following interview concerning current labor unrest, which clearly reveals the historical circumstances and the decisive role played by workers, poor farmers and other laborers in our country.

Godoy refers to the recently approved laws governing wages, working hours and working conditions during the cotton and coffee harvests, to the Labor Code reforms which the Council of State will soon discuss, to CONDEMINA's [Nicaraguan Corporation of Mines and Hydrocarbons] position on miners' deplorable working conditions, to the capitalist device of granting bonuses or dividends to workers and to the dramatic Pennwalt case.

[Question] Journalistic research by BARRICADA and other communications media has shown that the recent laws governing wages and working hours during the coffee and cotton harvests are not being observed in the northern and western regions. What means within its power is the ministry using to make sure that these laws are observed?

[Answer] We have not had many problems in this respect; however, we meet weekly with workers' representatives to discuss the various problems which occur, and this has afforded us a certain degree of effectiveness. The trade union reports the problems and that is where the inspectors come in.

No one will ever be able to replace the workers in defending their interests, not even the most brilliant minister.... The same workers must also solve the problems of occupational safety and health; the Ministry of Labor in turn uses its authority to try to correct the problems.

We have just seen an INRA [National Institute for Agrarian Reform] case which is more or less being resolved. In this respect, it should be pointed out to civil servants seeking assistance in government matters, such as in this area, that the law is of no use.... [as published]

[Question] Besides moral authority, what coercive means does the Ministry of Labor have to guarantee observance of the law?

[Answer] We have inspectors, who are judges who settle, with the force of a ruling, cases for up to 6,000 cordobas and if the respective parties do not comply with the ruling, their assets are attached. We have 20 attorneys who provide free counsel to workers; they are the workers' defenders and are therefore responsible for seeing that the inspectors' decisions are implemented.

The Ministry of Labor also has the power to impose fines and to decree incommunicable arrests of up to 10 days, in accordance with decrees 246 and 347.

[Question] Would you like to make an appeal to workers and employers concerning observance of the regulations for coffee and cotton harvests?

[Answer] Insofar as workers are watchful of working conditions, employers will have no recourse other than to comply with the law. Therefore I appeal to workers to step up communication with the Ministry of Labor and to employers to understand that the improvement of working conditions and observance of the law is the most advantageous way possible for national reconstruction.

[Question] The legal structure supporting the Ministry of Labor is the old Somoza labor code. There is a proposal before the Council of State aimed at amending this code and adapting it to the new situation. What prospects does this proposal offer for better operation of the Ministry of Labor?

[Answer] The groups of laws, codes, regulations, etc., are not a result of whimsy. This code was drawn up 35 years ago, of course, during the Somoza era, but it is not a gratuitous concession, as this code reflects the workers' struggle.

What happened is that this law was not observed, was not applied, and with the provisions of this code we have today been able to do a good many things.

We could have a better law, but it would be difficult for us to apply it. Devising a good law is not very difficult theoretically, but devising a good law to adapt to the time and area to which it is to be applied, that is very difficult, but really necessary.

Thus the Council of State discussions precisely reflect those difficulties, but they also reflect the will to adapt the provisions of the labor law to the needs and requirements of our people in our time.

[Question] What should be said about CONDEMINA's failure to follow the recommendations to improve mine workers' living and working conditions, as proposed in a report by this ministry's Department of Occupational Safety and Health?

[Answer] I have to say that the minister of CONDEMINA acquired a public commitment during the "Face the People" program, to be implemented at the El Limon mine, to correct the problems mentioned in the report and we are convinced that those corrective measures will be put into practice in early 1981.

The Ministry of Labor has proposed the formation of an interministerial committee to solve the problem of mining occupational safety and health as quickly as possible. This committee would be composed of CONDEMINA and the Ministries of Health, Social Welfare and Labor, INNICA and the Sandinist Workers Federation (CST).

[Question] How costly is it for this ministry's recommendation to be followed?

[Answer] Sometimes a little insight is lacking; perhaps it is unnecessary to import certain safety devices, which can be manufactured here.

It is not necessary to separate the concern for improving working conditions from other experiences, if someone knows what is human and what is inhuman.

Above all, it must be understood that it is not necessary to make large investments to achieve at least acceptable occupational health and safety levels. In general, these problems are solved through simple measures.

[Question] In some industrial sectors, capitalists have used the method of year-end bonuses and during that period several cases have emerged which are contradictory to the policy of the Revolutionary Government. What do you have to say about this situation?

[Answer] We do not believe that it is the best way, since it helps to make the worker's economic mentality a private one, turning him into a quasi-stockholder of the company in a sense. We think that this weakens his own struggle, his potential as the main protagonist in the creation of a new society.

Moreover, apart from producing a kind of illusion in the worker, those bonuses, dividends or profits, or whatever they may be called, usually leave him with practically nothing.

We therefore think that it is preferable to increase work-related social benefits rather than providing an annual sum which is not merely symbolic but which is also subtly alienating at the same time.

It is obvious that the employer often manipulates this in administering profits, as a palliative measure for thus reducing conflicts which may arise from normal contradictions in the labor context.

What we plan is for workers to show more and more trust in labor-derived surpluses being used by the state and reinvested in projects which will in turn have a multiplier effect on the improvement of living conditions in a more equitable and universal manner.

[Question] Pennwalt workers, who filed suit against that company for compensation for occupational hazards, are setting an historical precedent. What lessons can be learned from that?

[Answer] The most important lesson here is twofold: that the workers are the main factor in their own preservation and that the new government is with the workers in defending workers' lives and safety vigorously and resolutely.

In the latter case, we have been successful in banning an insecticide, which now cannot be imported or manufactured; it cannot be used for anything.

Thus the main contribution has been that of making the workers aware of the importance of being watchful of working conditions.

Finally, Labor Minister Virgilio Godoy said that "Nicaragua's future is with the workers; to the extent that they work harder, that future will be better and nearer."

11915

CSO· 3010

JUNTA MEMBERS DISCUSS REVOLUTION'S SOCIOECONOMIC PROGRESS

San Jose LA REPUBLICA in Spanish 18 Dec 80 p 12

[Article by Jose Luis Fuentes]

[Text] Sergio Ramirez, member of the Nicaraguan National Reconstruction Government Junta, has said that the socioeconomic and political system planned in that country is a "Sandinist system" or "Nicaraguan" system, and he presented a prospectus in which its characteristics are described: political pluralism, mixed economy, the improvement of the national economy and the strengthening of popular and religious traditions.

Political pluralism means the existence of parties opposed to Sandinism and its political outlook, which hold their own meetings and form their own organizations and programs without anyone interfering, he said.

As for the statements made by the opponents of the Sandinist Front and the National Reconstruction Junta and of the economic and social programs which they are carrying out, those opponents have open to them channels of communication such as the newspaper LA PRENSA and RADIO CORPORACION through which "many lies are tolerated," in the opinion of Commander Daniel Ortega.

The writer Sergio Ramirez said that "there are no fundamental differences which affect production. The responsibility for the process of reconstruction belongs to the revolution and we Sandinists are responsible for the revolution within a framework of a mixed economy in which the state owns 20 percent of the industrial enterprises and private enterprise owns 80 percent."

He said that annual sugar production is 300,000 quintals coming from 150,000 manzanas planted with sugarcane, of which 130,000 are owned by private enterprise, and this is also true of coffee, where 80 percent are owned by private enterprise and 20 percent by the government.

But the emphasis of government production will be placed on the establishment of industries for the development of natural resources and on the "most strategic areas of production." This refers, for example, to the production of electricity including the production of 200 megawatts upon the completion of the hydroelectric project in Zezaya, Matagalpa, the largest in the country, and upon the completion of the electric hookup with Costa Rica which is now in progress.

Other enterprises in the natural resources sector will be developed solely by the state, but the government will not participate or intervene in most private enterprises except for the collection of taxes.

Tax collection has been criticized by the private enterprise sector opposed to the junta but Governor Ramirez Mercado indicated that "rather than create taxes, what we do is collect them" and he reported that during Somoza's regime 150 million cordobas in taxes were collected each year and that 400 million cordobas were collected in 1980 through efficient collection methods, since during the previous era payment was evaded with the complicity of the Somoza officials.

It was his opinion that, "the differences are only with one sector of private enterprise, not with private enterprise itself." This was a reference to the position taken by the Superior Council of Private Enterprise (CONEP), which withdrew from the Council of State in which it had been invited to participate, an act which was regarded as a national crisis.

Another member of the junta, Commander Daniel Ortega, categorized the withdrawal as "a political hazing" by the private sector, which thought that circumstances were right for making the junta fall.

Regarding the celebration of Christmas and other religious traditions, such as the feast day of the Virgin Mary which was of special importance this year, the Nicaraguan officials stated that no attempt is being made to put an end to religion and that this was just one more criticism by those who wish "to hold up the reconstruction process and that of the revolution, which is irreversible."

In this regard, Commander Tomas Borge stated that relations with entrepreneurial circles are constantly being strengthened and that religious traditions are being strengthened instead of being eliminated.

"It is ridiculous to say that celebrating Christmas was forbidden; what was forbidden was commercial advertising when it attempts to distort the religious feast through an emphasis on consumption, in other words, the commercialization of Christmas. No one forbade anyone to celebrate Christmas. We think that the religious feast days have the support of the revolution and that Christmas is an occasion for family unity and the expression of men's love for one another."

9204

CSO: 3010

COSEP PRESIDENT DEFINES POSITION OF PRIVATE ENTERPRISE

Managua EL NUEVO DIARIO in Spanish 19 Dec 80 pp 1, 10

[Text] With a full house and in the face of the previous refusal of the Nicaraguan Society of Odontologists to become affiliated with it, COSEP [Higher Council of Private Enterprise] held its annual assembly in the Cabrera Theatre where its president, Enrique Dreyfus, reiterated the position of the entrepreneurs, who define themselves as "neither Somozists nor communists."

Speaking before some 2,000 businessmen meeting at the Cabrera Theatre, and having in the background a gigantic photograph of Jorge Salazar Arguelli, the hero of businessmen, Enrique Dreyfus, president of COSEP, stated that the "third alternative" guarantees Nicaraguans "bread, truth and freedom."

Willing To Talk

After accusing the National Reconstruction Government of breaking the national unity by departing from the government plan's original guidelines and of having forced COSEP to withdraw its representatives from the Council of State when the Sandinist majority rejected all its proposals, Mr Dreyfus stated that nevertheless "COSEP is willing to conduct an open and patriotic dialogue to allow a return to national unity and to the guidelines of the government program."

In an analysis of the present economic situation and an evaluation of recent events, the president of COSEP repeated again that the country will not be able to meet the production goals of the Economic Reactivation Plan for 1980 and that for 1981 it is necessary for the government to promote "a climate of confidence so that entrepreneurs and workers may produce more and better goods for the country."

As he stated, "the country is facing an unprecedented budget deficit and a more negative trade balance than had been projected; production has not reached the levels expected and the construction industry has not been reactivated as had been projected."

In speaking of the "third alternative" Dreyfus stated that for a long time Nicaraguan private enterprise had rejected the idea that there are only two alternatives in Nicaragua: Somozism or totalitarianism.

He recalled the first discussion within the private sector where it was proclaimed that there is a third alternative which consists of "carrying out political, economic and social reforms within the system of justice and freedom."

"We believe that this alternative will allow all of us," he said, "to nourish ourselves with bread, truth and freedom, because a man with bread and without truth and freedom stops being a man.

"The struggle of the private sector is as old as the history of the dictatorship," he added, "and for some mysterious reason governments are always jealous of men who have their own ideas and who will not submit to arbitrary treatment.

"Nicaraguan private enterprise," he said on the other hand, "does not aspire to public power, but it does aspire to have an influence on the course of the revolution so that an original and authentic transformation may be achieved in harmony with our aspirations as free men. What we want," he added, "is to help to govern well."

He went on to say that Nicaraguan businessmen wished to reiterate that "our place is here in Nicaragua, in the land (in this order) of Jorge Salazar, Pedro Joaquin Chamorro, A. C. Sandino, Jose Dolores Estrada and the Indian chief Diriangen."

Left a Message

Dreyfus concluded: "Jorge Salazar left us the message that our post of duty is here in Nicaragua at the side of our people, without submitting to arbitrary treatment or ever backing down from our principles as free men and workers who produce for Nicaragua and the Nicaraguans."

Don Ismael Speaks

Ismael Reyes, president of the Nicaraguan Chamber of Industries (CADIN), said in his speech that they were "meeting in order to reflect with wisdom and pragmatism and to determine what should be the position of the entrepreneurs in respect to the controversies which endanger this magnificent revolutionary process."

Later he said that, "after the triumph of the revolution COSEP placed at the government's disposal its economic potential, but then came the confiscations, the take-over of farms and factories, political pressure against the private sector, direct threats against some of its members, and finally the incomprehensible death of one of its directors," referring to the death of Jorge Salazar, who had become involved in counterrevolutionary activity.

"In a state where capital punishment does not exist, the death of a citizen at the hands of the authorities cannot be justified," he exclaimed, quoting a phrase of a French jurist. Also, he said that COSEP has valiantly expressed its point of view with regard to various situations that have arisen, not with the objective of destroying the order of things that are in effect, he added, "but to give a more auspicious course to the institutional ship of state."

Laissez-faire

"As entrepreneurs we know better than anyone the difficulties of production, and in that field, without rhetoric, we can teach the government," he pointed out,

recalling that "the function of the government is that of a regulator, not that of a producer, because the latter belongs to the working men of the country.

"In spite of the repeated promises to stop the confiscation of private enterprises, the government continues, in a veiled but systematic fashion, its policy of confiscation and possession," he pointed out. "And at the rate they are going the time will come when all the country's means of production will be in the hands of the government."

He also said that the government should guarantee the entrepreneurs and all citizens peace and security, something which is stipulated in the Fundamental Statute of the Government Program. He said that entrepreneurs should join COSEP to fight at the civic level for the legal rights which the laws grant to the business class.

"We wish to notify the government, the whole nation and all the countries of the world, that we have not come here to hatch any conspiracy against our country, nor against its government," Reyes said. "We are here, as always, filled with the best will to finish what we committed ourselves to do from the very outset of the fight for freedom: to develop our country socially and economically as the only means of bringing about the well-being, peace and justice all we Nicaraguans yearn for," he concluded.

At the assembly there was also a report on COSEP trips abroad "in search of financial aid and moral support for the revolution," which was read by Ramiro Gurdian, president of the UPANIC [Union of Nicaraguan Agricultural Producers]; also given was another report by Reinaldo Hernandez, from the Confederation of Chambers of Commerce and a long speech was made by Jaime Montealegre, vice president of INDE [National Institute for the Development of Private Enterprise] on the participation of private enterprise in the Council of State.

9204

CSO: 3010

ARCHBISHOP COMMENTS ON EDUCATIONAL REFORMS

Managua LA PRENSA in Spanish 18 Dec 80 pp 1, 12

[Interview with Archbishop Monsignor Miguel Obando y Bravo, by Adriana Guillen; date and place not given]

[Text] Monsignor Miguel Obando y Bravo spared LA PRENSA a few moments to discuss the important matter of educational reform. He has promised to provide us with a more extensive reply on the subject, but we are going ahead with the first questions put to the distinguished prelate.

[Question] The Nicaraguan Ministry of Education has launched a National Education Poll and it is apparently on the basis of this poll that the ministry plans to carry out an educational reform. We would like to know whether the church participated in preparing this poll.

[Answer] I know that the Ministry of Education has sent some documents to certain bishops. We of the Episcopal Conference have a bishop representing us in the educational field and he is Monsignor Lopez Fitoria, bishop of Granada. I understand that he is looking into this matter and after he has finished, we will discuss it at the Episcopal Conference level.

[Question] Does this mean that you did not participate in preparing the poll or the questionnaire?

[Answer] We did not take part in preparing the questions and we only know some of them. It would be desirable to know all of them with sufficient advance notice in order to be able to think about them and to issue a fully prepared answer. Otherwise, the replies will be impromptu, since thought requires time. Education is a very important subject which must be seriously considered in order to provide an answer that will be beneficial for the education of our children and our youth.

[Question] Monsignor, we at LA PRENSA took a poll to find out whether the people want a Christian, nonsectarian or Marxist-Leninist education for their children and 90 percent said a Christian education, 10 percent said nonsectarian, but no one answered that he wanted a Marxist-Leninist education. In your opinion, what kind of education should there be?

[Answer] I agree with our people wanting an active, communicative Christian education which liberates man totally. But there cannot be total liberation for mankind as a whole and for all men if we abandon Christ, because the best structures, even the most sophisticated, sooner or later become corrupt if they do not transform the heart.

It should be pointed out that man is a pendulum which can swing between good and evil, but if we want the spirit to triumph over the flesh, man must have control and mastery over his own tendencies and this is difficult when divine help is absent.

We know that science, technology, psychology and sociology can provide man with better living conditions, but they do not liberate him from the seven capital vices, which appear to be taking on greater proportions with scientific and technical advances, and only with Christ's help will science be able to save mankind as a whole.

[Question] On page 14 of the Base D-1 document of the poll, the Ministry of Education says that "the bibliographic survey of the most advanced thinking of the revolution's ideologists, as well as the results of the poll, would be a basis for the changes in educational development..."

We Nicaraguans have seen visible evidence of the Marxist-Leninist thinking of the Sandinist Revolution's current leaders and ideologists in their speeches and in political ties with communist parties, such as Comdr Humberto Ortega's current attendance at the Second Congress of the Communist Party in Cuba. Don't you believe that this trend will be reflected in educational changes? What is your opinion of this trend in Nicaragua?

[Answer] I don't know which FSLN [Sandinist National Liberation Front] ideologists will participate in this educational program. But if you are telling me that the ideologists are Marxist-Leninist, then the programs will have to be saturated with Marxism-Leninism. "A person gives what he has; no one can give what he does not have."

I have read texts in teaching centers and I see a trend toward materialism in some of these texts. Thus the parents of families and the family have a great responsibility in educating and bringing up their children.

11915
CSO: 3010

BLUEFIELDS CHURCHES SUPPORT FSLN STAND ON RELIGION

Managua EL NUEVO DIARIO in Spanish 20 Dec 80 p 2

[Text] We are publishing today a beautiful and fraternal document, important to our revolution, as a matter of pride and glory for all the revolutionary Christians of Nicaragua. This document from CEBIC (Bluefields Ecumenical Council of Christian Churches), which groups together the Anglican, Baptist, Catholic and Moravian Churches, will be addressed by CEBIC, together with the letter on religion from the Sandinist Front, to the Atlantic Coast. At this time of Advent, and because of its transcendence, we publish it for the Nicaraguan people.

Letter to the Christians of Bluefields.

From CEBIC (the Anglican, Baptist, Catholic and Moravian Churches).
Bluefields Ecumenical Council of Christian Churches.

Advent of 1980

As we prepare again to observe the beautiful celebration of Christ's birth, our hearts are kindled with love and gratitude for the Son of God, who became man and in everything was similar to us, with the exception of original sin (Hebrews 4:15), and so, identified Himself with our hardships and happiness to take us unto His Father. Because this time is of particular happiness, we want to share the feelings of this letter, together with those of the leaders of the Nicaraguan Revolution regarding religion, which are expressed in the attached letter.

In reality, we are pleased with this letter because in it, the following rights are publicly and officially recognized as ours:

1. Our inalienable rights freely to practice our religion.
2. Nobody can be discriminated against for professing and publicly propagating his faith.
3. There is no contradiction currently in Nicaragua between being a believer, and actively participating in building a new Nicaragua.

It is our wish that this letter bring hope and optimism to the members of our churches, who fear religious persecution or being restricted in the practice of their faith. It would be a true labor of charity to keep this letter issued by the Sandinist Front, and use it to inculcate hope and confidence in those who

still have doubts. Furthermore, if in the future an individual did not wish to respect the right to hold free and public religious celebrations, this letter could be used to remind anyone that our rights have been officially recognized by the new government.

Revolutions are occasions for struggle and change. People resent sudden changes and new expectations which are a natural result of new structures. Let us remember that many Israelites were unhappy in the desert, and wanted to return to the "fleshpots" of Egypt (Exodus 16:3). They complained of the numerous sacrifices they had to make to form a new nation on a new land. Likewise, many among us easily forget the tortures and the "cleanup operations" of the previous regime, which cut short the lives of thousands of innocent young people and civilians during the bombings of Esteli, Managua, Masaya, Rivas, Leon, Matagalpa, etc. And now, as we confront the necessary sacrifices to build a new society, truly devoted to ending illiteracy, poverty and injustice, some people feel tempted to return to the "old structures."

During this holy time of Advent, we invite all Christians of Bluefields to remember Christ's sacrifices for us. Let us all be as leaven in the dough to build God's kingdom in Bluefields and in Nicaragua: a kingdom with more love and fraternity, with greater justice and equality. This is the "pearl of great price" (Matthew 13:45-46); to obtain it, we must make many sacrifices.

The revolution will take the course chosen by the people within the revolution. That is why we encourage and invite all Christians in our churches to participate, actively and consciously, in the revolution to build a new Nicaragua...a Nicaragua that truly enjoys authentic Christian freedom, peace, justice, equality and love among all men. Thus, illuminated by the light of the Holy Gospel, let us fight to advance the kingdom of God in the revolutionary process, since only by the penetration of salt in the dough can the whole dough receive knowledge (Matthew 5:13).

Finally, we invite all members of our churches to read, study, reflect on and discuss our letter, and that of the Sandinist Front, in their districts. Only in that manner can we discover our true Christian role in the Nicaraguan revolution.

May Our Lord, so kind, bless the good will of all of you, and your sincere efforts to carry it out! We add our blessing to that of the Lord, as ministers of the Christian Churches to all of you, people of God.

May these blessings bring courage, hope and comfort to your hearts and to your homes and communities and, therefore, to our beloved fatherland, Nicaragua.

9756

CSO: 3010

FIRST ATTEMPTS OF SMALL PRODUCERS TO ORGANIZE PRAISED

Integration Into Revolution

Managua BARRICADA in Spanish 28 Dec 80 p 3

[Editorial]

[Text] A nationwide movement has gotten underway among small and middle-sized producers with the formation of a Unity Platform (Plan for Immediate Struggle) started by peasants in the north.

And this is important. Historically it is the first time that the small and middle-sized producers have put forward a political and economic platform which is clearly different from the traditional positions of big businessmen. In the past these demands were used to generate pressure movements which only benefited the big businessmen in the end, although, sacrifices, and even deaths, came from the small and middle-sized producers.

From the very first paragraph of the document mentioned they take upon themselves "the patriotic duty to participate decisively in the national reconstruction led by the FSLN [Sandinist National Liberation Front] and the UGRN [National Reconstruction Government Junta]."

By taking this position, those sectors make it clear that, unlike the big businessmen, they are assuming their responsibility to national reconstruction fully aware that it is not being done for large profits, but in the noble interest of building a just nation, filled with material and spiritual riches for the children and the people.

These differences from the big businessmen not only justify the need for a different organization, but for a revolutionary alignment alongside the workers. They realize the unpatriotic character of the positions and organizations of the big businessmen.

Far from shamelessly raising the banner and the "philosophical principles" of Salazar, as some big businessmen do, the emerging peasant organization firmly upholds the "patriotic and Christian responsibility to defend the nation against any aggression on the part of imperialism and its friends within the country."

It is aware that the principal dangers in building a new life arise directly from the machinations and activities of imperialism and its domestic allies against the revolutionary conquests of the people of Sandino.

The small and middle-sized producers are making these decisions directly from their own experience. They know that historically they were used by the big businessmen in their "conflicts of interest" with the Somoza dictatorship. Stripping them of their own identity and representation as if it were nothing, they wanted to use them in confronting the Sandinist Revolution with clearly unpatriotic purposes.

So it is natural, and it is a result of history, like the revolution itself, that today they are demanding their own representation in an independent and different organization, which will allow them to participate in the economic and political process of the revolution in accordance with their own interests as workers and revolutionaries. And this is a unique and national organization, which will go beyond the parcelling out or dividing up by crop which the big businessmen had forced upon them to weaken them in accordance with their selfish and exploitative interests.

The recent meeting in Matagalpa at which the regional committee of small producers was created--as well as the departmental committees of Matagalpa and Jinotega--and where steps were taken to set up committees for districts and valleys through direct elections by the rank and file, are unquestionable advances which will be extended shortly into other areas of the country with a view to establishing the National Small and Middle-Sized Producers Organization.

Moreover, their organized presence has begun to show productive results, as is indicated by the extension of terms on bank credits, and the measures announced to improve technical assistance and the supply of equipment to small and middle-sized producers. That is precisely why it is of such practical importance for the revolution and for the producers themselves that they channel their demands directly to the state, without distortions introduced by the narrow interests of exploiting minorities. In the same way, all the constructive efforts of the farmers must be directed toward the interests of all the people and the consolidation of the Sandinist Revolution.

History of Exploitation

Managua EL NUEVO DIARIO in Spanish 29 Dec 80 p 2

[Commentary by Miguel A. Borgen]

[Text] One of the most long-suffering and neglected sectors in Nicaragua, and perhaps in Latin America, is that throng of peasants called the small and middle-sized producers in the countryside. They can be as poor as those who own nothing, because their problems and anxieties can be placed within two frameworks: they are "petit bourgeois" to the rural laborer and worker; and they are regarded as underprivileged and as proletarian as the next man by the large landholding producer.

This has been true for centuries in Nicaragua, although the situation worsened in the long 45 years of Somoza rule. This country laborer, owner of a parcel of land, has been a victim of the system, because he is harassed by the landless worker, who thinks of him as the boss from whom he can demand all the conveniences and rights which the poor claim from the large ranchers and landowners.

At this point the small producer finds himself caught between those two forces: the real bourgeois rancher who exploits him, and the landless laborer, who puts pressure on him and makes him fulfill the same obligations as the large producer. This type of man of the countryside has always lived on loans from his larger counterpart, whom he often considers his best "friend" and who lends him money without much "red tape," as I have heard many of them say during my long experience with the peasants.

But then it turns out that the poor man did not notice, when he signed a document shown him by the lender, or when he made his mark (many did not know how to read or write) that among the clauses of that paper was his death sentence--or rather, the death sentence of his plot or farm. The small farmer has also lived on bank loans. When he resorted to the bank officer to get a loan to work his farm, he did it with fear and trembling, because he regarded that official individual as a probable enemy, who would attach his property if he was not paid.

The tragedy of this man of the countryside who would appear to live better than the simple laborer, is that he and all his numerous family live exclusively on what his farm produces. And when he goes to pay the moneylender or the bank, he and his family have already eaten half of the harvest. Then there is already too little to pay off the obligation, and the loan continues in effect year after year, increasing because of the interest it continues to accrue. Finally, many of them hand over their little property to the large producer, who may appoint them his foreman or his new watchman.

The small producer works the whole year on his plot of land--not only he, but his wife and even his children--and the sweat of his brow is never entered in the ledger. He lives constantly in debt, which allows him to keep his plot by making sacrifices, because the farm is his only source of money; the opposite of the large producer, who besides being a landholder is also a businessman, or sometimes a lawyer or a doctor or some other profession, so that he is always solvent and has money left over which he spends on trips abroad at the expense of peasant exploitation.

During the 45 years of the Somoza dictatorship (we all experienced that unfortunate era) I saw hundreds of peasant plots pass into new hands--the hands of the powerful--or if not that, reduced in size to pay cruel debts; plots inherited from their grandfathers and tended by their fathers, which then fell into the hands of the banking institutions or the large landowners.

This situation which we are acquainted with applies to the Pacific area, where small holdings still exist, but the same thing is happening or has happened in other northern and central regions. We have seen the peasant farmer making the land produce through hardships, and as we have said, with losses, but he always plants again. He becomes poorer and poorer every day, while overnight there

spring up unexpected owners of land which was snatched from the peasant planter by usury.

All this has changed totally. It must change, even though the small and middle-sized producer is a bit resistant to organization, because of the years of exploitation. He still believes that he is a "boss," that he is of a certain class, when really he is just another field laborer, perhaps with greater difficulties than the laborer without land.

The People's Sandinist Revolution is giving a new turn to the situation. It seeks to integrate the small and middle-sized producer into the productive process under better conditions. It seeks to integrate him into the process with a new direction. Because the new government which was installed on 19 July wants the best for its underprivileged sectors. They will be organized, provided they do not continue listening to the siren songs of their former "friends," the large producers, who a year and a half ago were still their exploiters.

That was the step which was taken in Matagalpa a few days ago, where the nation's middle-sized and small productive sectors are apparently prepared to organize themselves under the new guidelines that the Sandinist government is drawing up.

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UPCOMING DISPUTE OVER GUYANA CLAIM ANTICIPATED

Caracas EL DIARIO DE CARACAS in Spanish 29 Nov 80 p 5

[Article by Maria Eugenia Diaz]

[Text] Only a year is left before Venezuela has to decide on its potentially traumatic claim to the Guyana Essequibo. However, evidence shows that the Foreign Ministry has not worked on the legal issues, the compilation of maps, and other necessary details which are entailed in any of the possible alternatives.

The Port-of-Spain Protocol, which froze the controversy for 12 months, will expire on 18 June 1982. If a limited extension is not agreed upon, or the British, Irish and Guyana governments are not notified of a rescission by 18 December 1981, the agreement will be automatically renewed.

Far from preparing for any of the decisions, now that the deadline is 12 months off, Venezuela has ignored Guyana's violations of the legal agreements. It has accepted the settling of Laotian refugees and the granting of loans for the ambitious dam project in the "claim zone."

At a time when the death rattle of the border negotiations with Colombia is still influencing public opinion, sources at the National Council on Security and Defense have told EL DIARIO DE CARACAS of their concern about this situation. According to these sources, the situation [word illegible] and "involves new risks to national sovereignty."

Don't Repeat Same Mistake

Notwithstanding the objections or praise that can be expressed today about the draft agreement with Colombia, some believe that the matter was mishandled in that the Foreign Ministry botched the process of consultation and the strategy of informing the public. Nonetheless, today there is confidence that the titles, treaties, maps, letters and other necessary documents were all compiled and that the alternatives were explored sufficiently during 12 years of negotiations.

It is also assumed that Venezuela (although not publicly) has exchanged notes with the Colombian Foreign Ministry on other matters concerning the two countries' relations in recent months. Such matters could be the entry of undocumented aliens or border skirmishes that did not necessarily cease as of October 1979, when the new stage of negotiations began.

Violations

On the other hand, it is known that the American newspaper THE NEW YORK TIMES published a note on 30 March of this year regarding the acceptance of Laotian refugees in Guyana. On that occasion, former Foreign Minister Simon Alberto Consalvi publicly alerted the Foreign Ministry. Apparently, Foreign Minister Jose Alberto Zambrano Velasco ordered an inquiry, and the number of Laotian refugees turned out to be less than what was indicated. Nothing more happened.

A few months later, the Inter-American Development Bank, which has a Venezuelan representative, granted a loan to Guyana for the development of a dam project on the Alto Mazaruni. The Foreign Ministry made no comment whatsoever. The Guyanan Embassy, through Press Attache Charles King, published in this paper an article explaining the details of the project. It was up to Jose Curiel, member of the Social Christian Party (COPEI) National Committee, to sound the alarm.

Both of these public events violate Article V of the Geneva Agreement and Article IV of the Port-of-Spain Protocol. As long as they remain in effect, the two agreements require Guyana to refrain from "any act that would tend to affirm, maintain or claim territorial rights to the region."

On 4 September the foreign minister was summoned by the Foreign Policy Committee of Congress. There he was questioned about the state of relations with Guyana and the government's policy on the Port-of-Spain Protocol. The exchange between Zambrano and journalist Lucy Gomez on that occasion went as follows:

(Question) What is the position on Guyana's violations?

(Answer) And what are Guyana's violations? It is not true that there have been any violations. Venezuela talked about the alleged presence of 30,000 Laotians, and that is completely false.

(Question) And what about the problem of the Mazarino River?

(Answer) It is not Mazarino, but Mazaruni. A request has been submitted to build a large hydroelectric dam in territory that makes up part of Venezuela's territorial claim. Venezuela has already expressed its points of view on this issue, in view of the need to respect the Port-of-Spain Protocol, in its entirety.

Concerning the upcoming expiration of the protocol and his conversation with the congressmen, he said: "It is very important, as the committee and the Foreign Ministry are aware, to define in clear and precise terms a national position on this matter." Ramon Tenorio Sifontes explained that the committee had decided "to promote the talks and improve relations between the two countries, as provided for in the protocol. A high-level committee will be named to study our strategy for talks with Guyana."

Three months have gone by since that meeting, and sources indicate that it was already too late to name "a committee to study our strategy for talks with Guyana." No one has yet heard of any committee being formed.

Venezuela's Alternatives

To look at the alternatives available to the Venezuelan Government in the decision it will make by 18 December 1981, we must briefly review the existing agreements. The first, the Geneva Agreement of 1966, provided for a mixed commission that would seek solutions to the territorial controversy, which was aggravated by the Paris Arbitration Award of 1899. That decision had rejected Venezuela's claim and "left" the territory to the United Kingdom of Great Britain and Ireland. Since the commission never reached any settlement, the signatories of the Geneva Agreement (Venezuela, Great Britain, Northern Ireland and Guyana, formerly the colony known as British Guiana), signed the Port-of-Spain Protocol in Port-of-Spain, Trinidad.

Now by December of next year, Venezuela has to choose among four options: ratify the protocol by written notification to the other governments; declare a limited extension of not less than 5 years nor more than 12 years, in the same manner; end the freeze by beginning new negotiations; or rescind the claim.

The option of terminating the protocol, according to our sources, is the best one. Every year that goes by is one more year for Guyana to reaffirm its sovereignty over the territory. If that is the final decision, Venezuela could claim before an International Court that the Paris Award is null and void, and try to recover the entire region (a 4- to 5-year process), or choose among the formulas set up to solve this type of controversy.

The peaceful solutions to conflicts set forth by International Law are the following: direct negotiation, mediation and arbitration. If none of the three is achieved in 3 months, the matter will be taken to the United Nations secretary general.

What Should Be Done and Isn't

The current administration has the freedom and obligation to choose among these myriad possibilities. What it does not have, according to our sources, is the preparation for any of them. We have learned from other countries' experiences how we should proceed in these cases.

In the first place, if we do not want to repeat the same mistakes we made with Colombia, we should begin by studying a publicity strategy and start conducting public opinion polls. Next, the Council of Ministers, the National Council on Security and Defense and a group of experts should all meet to prepare the documents necessary for whatever decision is made in 1981.

For example, to go to court, other countries have prepared complete books of several volumes containing their legal grounds (which have been studied and interpreted) with the necessary cartographic annexes. The court answers all this with so-called "memoranda," and the countries then prepare other volumes and cartographic annexes called "countermemoranda." They explain the cartographic evidence and all the documents and jurisdictional laws governing the area.

The sources consulted in our investigation were surprised that while such measures have not been taken (and they cannot be done overnight), 12 months away from the decision, the Foreign Ministry is publishing several volumes on another subject: the accomplishments of Foreign Minister Jose Alberto Zambrano Velasco. This work is in addition to the "Yellow Book" which must be written for the president's annual message to Congress.

Even stranger is the fact that during recent months other experts have been occupied in promoting Zambrano Velasco's candidacy for the presidency of the Organization of American States General Assembly. The meeting, which was given no fanfare, was not even attended by the foreign ministers of Brazil and Mexico.

If fast action is not taken, the situation augurs another traumatic explosion of public opinion during the new year, and perhaps years to come as well.

Port-of-Spain Protocol

Article V

1) This Protocol shall remain in effect for an initial period of 12 years, and shall be renewable subject to the provisions of this Article for successive periods of 12 years each.

2) Before the end of the initial period or any renewal period, the Government of Venezuela and the Government of Guyana may decide by written agreement that as of the termination of the period in question, the Protocol will remain in effect for successive renewal periods of less than 12 years but not less than 5 years each.

3) This Protocol may be terminated upon completion of the initial period or any renewal period if the Government of Venezuela or the Government of Guyana, at least 6 months prior to the termination of the period, sends written notification to that effect to the other signatories of this Protocol.

4) Unless it is terminated in accordance with Paragraph (3) of this Article, this Protocol shall be considered renewed at the end of the initial period or the end of any renewal period, as the case may be, in accordance with this Article.

Article VI

This Protocol to the Geneva Agreement shall be known as the "Port-of-Spain Protocol," and shall come into effect on the date it is signed.

In witness whereof, the undersigned, duly authorized for this purpose by their respective governments, hereby sign this Protocol, made in triplicate in Port-of-Spain, Trinidad and Tobago, this eighteenth (18) day of June 1970 in Spanish and English. Both texts are of equal value.

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